

ing been \$23,360,000 in excess of the same month a year ago, and the exports for the seven months, \$49,330,000 greater than in 1912.

The aggregate foreign trade of Canada for the seven months ending with October was \$636,094,000, as against \$582,444,000 a year ago, showing a gain of \$53,650,000; and in this period the excess of imports over domestic exports has been cut down from \$190,000,000 to \$145,000,000. This trend of foreign trade is likely to continue for some time. The balance of foreign trade, as you are aware, has been heavily against Canada during the past decade.

In the last six fiscal years, imports exceeded exports in value by \$850,000,000, and this considerable gap has been made, in certain quarters, the subject of adverse criticism of the country.

Mr. Meredith added, however, that in this period Canada has obtained immense sums of money from Great Britain for development purposes of various kinds, which money has been imported largely in the form of merchandise, paid for out of the proceeds of long-term loans. "While these loans must ultimately be liquidated from the earning power of this expenditure," he observed, "I may point out that, meanwhile, only the interest charge has to be met; in other words, the excess of imports representative of the proceeds of long-term borrowing, has to be balanced only to the extent of the interest on the loans. This is not, indeed, the whole conclusion of the many-sided subject, into which a variety of considerations enter. We cannot, moreover, expect to go on widening the gap between imports and exports indefinitely. Our annual interest charge on British and foreign loans is already a formidable item, to be provided either by exports or new borrowings. While monetary conditions abroad remain as at present, the stream of fresh capital will run less freely towards Canada."

### LARGER MARKET FOR SILVER

Canadian government authorities agree that the new war fund of \$30,000,000 to be created in Germany in silver coin will benefit Canada as an exporter of silver. Reporting to Ottawa, Mr. C. F. Just, Canadian Trade Commissioner at Hamburg, states that the German government obtained power from the Reichstag under the Defence Act of last session to create a new war fund (Kriegsschatz) of 120,000,000 marks (\$30,000,000) in silver coin, which is to be added to the existing war fund of 120,000,000 marks in gold coin lying since 1873 in the fortress of Spandau near Berlin. At the present price of silver this new hoard will involve the purchase of some 25,000,000 ounces of silver. Germany is actually, and has been for years, a large coiner of silver, a fact which is explained by the enormous increase of population, and the great prosperity of the country.

Successive acts since 1900 have raised the legal limit to the minting of silver coin up to M.20 per head of population (Imperial Mint Act, 1909,) at which it stands today. The actual amount of silver coin of all denominations in circulation at the end of 1912 was 1,101,000,000 marks, with the legal limit to the coining of silver standing at 1,260,000,000 marks, if we take Germany's population at 68,000,000. The unexhausted margin represents nearly 50,000,000 ounces of silver which the Imperial mint will deal with within the next three or four years. Of course, the silver coin for the war fund referred to stands outside, and is in addition to the silver currency needs of the Empire as provided for by legislation. Germany, therefore, is likely to be in the market as a purchaser for very considerable amounts of silver during the next few years, says Mr. Just.

The net cost to the German government of one hundred marks in silver coin averages 45 per cent. of the nominal value, and on this basis, therefore, the cost of the 120,000,000 of marks in silver of the new war fund

will be roughly 54,000,000 marks. The Imperial government have adopted the ingenious plan of paying for this new war fund out of the seigniorage or profit to the State on the silver that is being minted annually. During the last few years the Imperial mint has turned out annually 40,000,000 marks of silver coin, showing a seigniorage of 22,000,000 marks, all of which hitherto has been paid into the general revenue. But from the present year and in the future only 10,000,000 marks will be devoted to general revenue purposes, and the remainder is to be earmarked to meet the cost of the new silver war fund which it is hoped to have completed at the latest by 1916. Germany's total production of silver in 1911 was roughly 12,000,000 ounces, of which upwards of one-half was obtained from native ores, and the remainder from imported ores.

The Department of Trade and Commerce reminds us that Commissioner Just's remarks in regard to this new war fund are of interest to Canada from a trade point of view having regard to the fact that Canada now stands third among the silver producing countries of the world, being surpassed by Mexico and United States only. Since the fund must consist of actual bullion, the Dominion should be directly affected as an exporter of this metal.

### SMALL CHANGE

Anyway, the Union Life had a strong name.

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Mexico and the mercury will probably fall during the month.

\* \* \* \*

British Columbia's concern is more that the Hindon't than do.

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For the next nineteen days, if money is really tight, we will have to turn stone into bread.

\* \* \* \*

Too bad that White River, Ont., the town in a draught, cannot begin its thermometer tricks.

\* \* \* \*

Confederation and *The Monetary Times Annual* have gone different ways, but they were both born the same year.

\* \* \* \*

Prince Alfred Hohenlohe-Schillingsfurst is the new Austrian consul at Montreal. The office boy is already calling him Alf for short.

\* \* \* \*

Sir Rodmond Roblin says the Manitoba government will spend \$3,000,000 on good roads—possibly for verbal as well as vehicular traffic.

\* \* \* \*

Just as everyone was moralizing on market ethics and talking about the good boys that were staying at home, Canada shot out its hand for another loan.

\* \* \* \*

Controller Thomas Church, of Toronto, having made a joke, which passed unnoticed, he wrote it down and handed to the press. It will probably be returned "with the editor's regrets."

\* \* \* \*

Premier Borden, we are told, has just learned Russian from a bath attendant, having previously acquired Japanese from a cook. What a treat is in store next session!

\* \* \* \*

Now that British Postmaster Samuel has also got involved in a Home Rule debate, he will probably think that Canada is the famous land where "little boys should be seen and not heard."